

DEPARTMENT OF ENERGY  
FY 1998 CONGRESSIONAL BUDGET REQUEST  
DEPARTMENTAL ADMINISTRATION APPROPRIATION  
(Tabular dollars in thousands, Narrative in whole dollars)

OFFICE OF THE ASSOCIATE DEPUTY SECRETARY FOR FIELD MANAGEMENT

**I. Mission, Functions, and Ongoing Responsibilities:**

**Mission:**

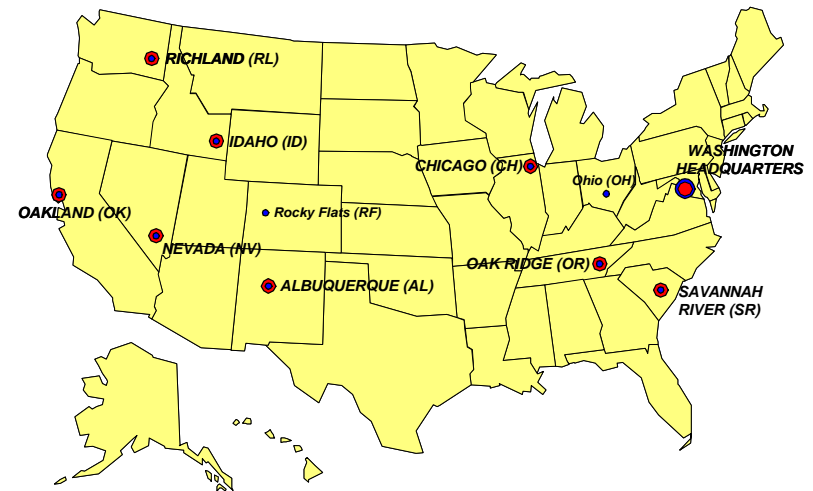
The Office of the Associate Deputy Secretary for Field Management (Field Management) provides three primary and distinct services for the Department:

- ▶ managerial and administrative oversight for the Department's eight Operations Offices and the two largest Field Offices;
- ▶ technical resources providing corporate support for real estate acquisition, inventory, maintenance and disposal; independent cost estimates that influence systems and project management decisions; utility rate negotiation and intervention; and the implementation of Life Cycle Asset Management; and
- ▶ a corporate staff supporting the Department's Principals in implementing Performance Agreement commitments to the President, the Office of Management and Budget, Congress, and the public such as Strategic Alignment, Contract Reform, and re-engineering business management oversight.

**Functions and Ongoing Responsibilities:**

Field Management performs a broad range of functions in support of programmatic missions and goals for Defense Programs, Energy Efficiency and Renewable Energy, Energy Research, Environmental Management, Fossil Energy, Nuclear Energy, Nonproliferation and National Security, and Work for Others. As an honest broker between Headquarters organizations and the 10 field sites, Field Management develops corporate approaches to field issues that cut across traditional organization, programmatic, and geographic lines. Administratively, Field Management manages the Senior Executive Service positions in the Field, 19% of the Department's total and provides assistance in the following areas: contract and procurement

## Field Management Offices



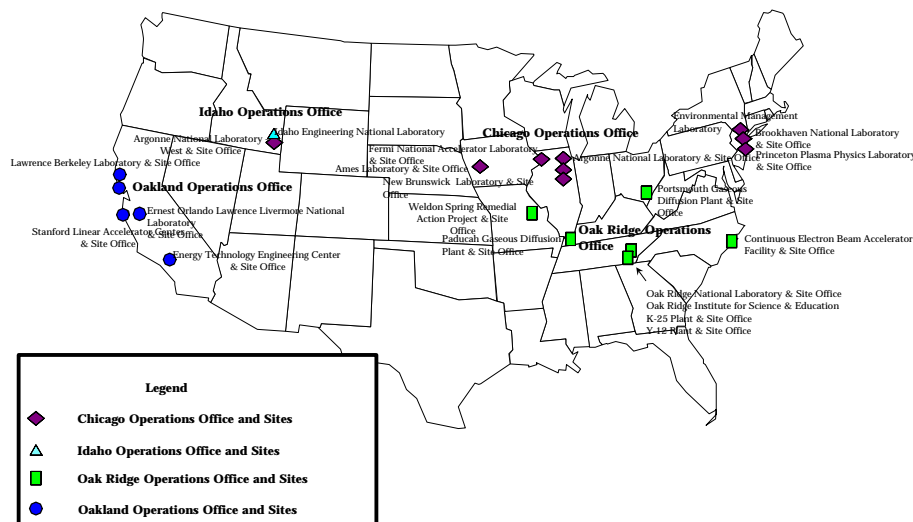
management, engineering, environment safety and health monitoring, program analyses, and personnel/manpower assessments on the 5,440 federal positions in the field.

Financially, Field Management is responsible for the 976 Federal employees and the annual budget of \$100.2 million that centrally support the administrative, managerial, and programmatic activities for 20 locations nationwide at the four Multi-Purpose Operations Offices: Chicago, Idaho, Oak Ridge, and Oakland.

Field Management continues to reengineer processes to absorb a 43% reduction in personnel since FY 1995 and maintain the technical expertise to perform comprehensive real estate planning and management for facilities, at least 120 million square feet, and the more than 2.3 million acres owned by the Department, net the disposal of surplus land; conduct independent costs estimations that impact project management decisions on the Department's Strategic Systems and Major Projects Acquisition process, comprising of more than \$64 billion; effect minimized costs during utility service rate negotiations and interventions, saving more than \$20 million a year; and implement the Life Cycle Asset Management Program at 8 of the 10 Field locations. Furthermore, Field Management serves as the Secretariat for the Secretary of Energy's Energy Systems Acquisition Advisory Board (ESAAB) and as prescribed in the Office of Management and Budget (OMB) Circular A-109, has final approving authority for a number of large projects.

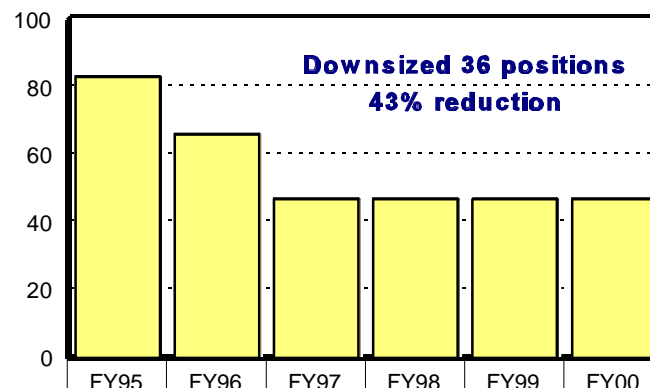
The Department's organizational structure, in which the field offices perform work for multiple headquarters

## Multi-Purpose Operations Offices



## Number of Positions Downsized

End of Year Onboard



EOY Onboard	83	66	47	47	47	47
Cumulative Positions Downsized		17	36	36	36	36

program offices, works best when a cross-cutting entity such as Field Management acts as corporate staff to the Department's principals serving as the lead for key Secretarial Initiatives. Field Management continues to serve as the champion of the Department's Strategic Alignment Initiatives to effect monetary savings and enhance performance through office consolidation, business process re-engineering, and elimination of non-essential activities. Through Field Management's leadership, the field and headquarters' elements have worked together to downsize the Department (1,836 positions through the end of FY 1996), save money (over \$377 million in FY 1996), and reengineer the Department's functions and processes in the areas of Contract Reform and Business Management Oversight. Under Contract Reform fifteen major contracts have been converted to performance-based as the Department transitions its large management and operating contracts to a "performance" rather than "level of effort" management approach allowing increased competition and greater responsiveness to government needs. Improved business management practices have yielded a 94% reduction in oversight reviews of the field and laboratories in effect relinquishing layers of oversight and uncoordinated reviews, and clarified field and programmatic responsibilities. Furthermore, Field Management initiates comprehensive planning to integrate the goals of both stakeholders and the Department throughout life cycle asset management with increased emphasis on broader use of DOE lands and facilities. These corporate functions, as highlighted in several areas of the Secretary's Performance Agreement with the President, are overseen by Field Management.

#### Objectives:

In conformance with the Department's Strategic Plan, Field Management's key objectives are to:

1. Represent the eight Operations Office and two Field Offices to assure an understanding of operational needs within the corporate decision process.
2. Provide specialized Department-wide technical support in the areas of project management, utilities, real estate and facilities management.
3. Provide comprehensive technical and business expertise in contract formulation and execution on 30% of the Department's prime operating contracts.
4. Implement staffing reductions through the Strategic Alignment Initiative to effect savings and enhance performance.
5. Improve contractor performance and accountability by establishing performance criteria and measurement mechanisms with all contractors.
6. Centralize resource management of the Department's multi-purpose activities.

#### Resources:

Field Management has responsibility for:

- A. An annual Program Direction Budget of \$8,261 million;
- B. Forty-seven Federal Employees; and
- C. Direct oversight of four Multi-Purpose Operations Offices with a budget of \$100.2 million, staffed by 958 Full Time Equivalents (FTEs). (Multi-Purpose Offices: Chicago, Idaho, Oakland, and Oak Ridge.)

Program Direction grouped into four categories:

*Salary and Benefits* provides funding for full-time permanent and other than full-time permanent employees, in the following classes: salaries and wages, the Department's FICA contribution, unemployment and workman's compensation, health benefits, thrift savings plan, overtime pay, cash incentive awards, lump sum leave payments, Senior Executive Service and other performance awards, permanent change in station moves, and buy-out compensation.

*Travel* funds staff transportation to the field sites to participate on task teams that impact Departmental initiatives and other areas relative to project management, utility rate negotiations, and real estate planning. These funds also allow employees to attend conferences and training workshops.

*Support Services* funds finance technical support services contracts and related expenses.

*Other Related Expenses* provides funding for employee development and training and the acquisition of goods and services that support Field Management's mission that are not considered support services, in addition to items purchased through the Working Capital Fund, i.e. rent, supplies, telecommunications, mail handling and postage, and network systems support and maintenance.

## **II. Funding Table:**

### Office of the Associate Deputy Secretary for Field Management (\$ Thousands)

	FY 1996 Enacted <u>Appropriation</u>	FY 1997 <u>Appropriation</u>	FY 1998 Budget <u>Request</u>	<u>\$ Change</u>	<u>% Change</u>
Salary & Benefits	\$5,792	\$4,979	\$4,386	(\$593)	-12%
Travel	\$250	\$255	\$255	\$0	0%
Support Services	\$1,422	\$140 *	\$1,120 *	\$980 *	700%
Other Related Expenses	\$3,002	\$1,480 *	\$2,500 *	\$1,020 *	69%
Total Program Direction					
Budget Authority	\$10,466	\$6,854	\$8,261	\$1,407	21%
Full Time Equivalents	68	56	47		

\* Details provided in "IV. Explanation of Funding Changes".

#### FY 1998 Funding Summary:

The Request provides funding for 47 full-time positions, a decrease of 19 positions since FY 1996; enables the performance of independent costs estimates and costs studies in accordance with OMB Circular A-11 and A-109; ensures continued real estate and facility management and negotiations for competitive utility rates for the Department; and supports efforts to maintain and upgrade corporate and local information management systems that compliment Field Management responsibilities.

### **III. Performance Summary:**

#### Major Accomplishments: FY 1996 through FY 1997

- ▶ Achieved FY 2000 Strategic Alignment Employment target in FY 1997 by downsizing 43% of Field Management positions, 36, based on FY 1995 levels. This downsizing was accomplished with the use of buyouts, involuntary separations, and attrition in FY 1996 and early FY 1997. This is the equivalent of 123 cumulative FTEs, with a **total** cost avoidance of \$7,503 million through FY 2000.
- ▶ Increased the aggregate employee-to-supervisor ratio to 11:1 by consolidating offices and layering organizational structures.
- ▶ Reduced support services by \$2,547, 66% less than the FY 1995 level, \$3,847, in accordance with the Department's Strategic Alignment goal to decrease nontechnical support service contractors.
- ▶ Reduced travel by \$65,000, 20% from FY 1995 levels, \$320,000, through the Department's Strategic Alignment Initiative.
- ▶ Implemented eleven performance-based contracts and established negotiation baselines for future reporting.
- ▶ Initiated a multi-disciplinary integrated oversight review process through the Office of Field Management.
- ▶ Reduced the number of business related reviews paid for by the Department across its programs by 50%.
- ▶ Implemented a "360 Degree" performance review process for all Senior Executive Service positions.

#### Planned Measurable Performance: FY 1998 and the Out Years

- ▶ Develop a five-year resource-based performance plan for capital acquisitions that ties to the Department's programmatic requirements.
- ▶ Decentralize management of the Department's critical assets and major acquisitions through the application of the best practices on 70% of the active major acquisitions by the end of FY 1999.
- ▶ Reengineer processes to maintain staffing expertise, and reduce contractual support and travel expenditures by the end of FY 2000 through the Strategic Alignment Initiative.
- ▶ Return 50% of excess lands identified by the Inspector General for public use.
- ▶ Complete training 50% of the Operations Offices' acquisition and program management personnel on information model use.
- ▶ Increase the aggregate employee-to-supervisor ratio to 14:1 by the end of FY 1998.
- ▶ Implement a "360 Degree" review process for all employees by the end of FY 1999.

- ▶ Computerize models of the Department's program management requirements and practices that will be available throughout the complex to improve information access by the end of FY 1999.

#### **IV. Explanation of Funding Changes: FY 1997 to FY 1998:**

In FY 1997, available prior year balances will be utilized in order to fully execute necessary technical support services, i.e. independent costs estimates, costs studies, real estate assessments, and power rate services. For FY 1998, a prior year balance will not exist to finance continuing efforts in these areas. Therefore, the FY 1998 budget authority reflects a 21% (rounded) increase of \$1,407,000. Specifically:

- ▶ The decrease of \$593,000 in Personnel Compensation and Benefits reflects the cost of downsizing in FY 1997 (-\$378K), elimination of separation costs (-\$430K); partially offset by the pay raise (+\$170K) and other (+\$45K).
- ▶ Travel remains constant with FY 1997 at \$255,000.
- ▶ Support Services shows an increase of \$980,000. However, this increase does not reflect the actual program change from FY 1997 requirements to FY 1998. The FY 1997 appropriation of \$140,000 will be supplemented by \$1,160,000 of FY 1996 prior year balances for a total program level of \$1,300,000. This is actually a decrease of \$180,000. (See Table below.)

	FY 1997 (\$000)	FY 1998 (\$000)	Delta \$(000)
Field Management Support Services			
Independent Costs Estimates	\$ 759	\$ 579	<\$ 180>
Real Estate Management	161	161	0
Power Rate Services	320	320	0
Federal Construction Council	<u>60</u>	<u>60</u>	<u>0</u>
Total	<u>\$1,300</u>	<u>\$1,120</u>	<u>&lt;\$180&gt;</u>

- ▶ Other Related Expenses includes funding for facility infrastructure and maintenance technical support, employee training, Working Capital Fund assessment, program support activities, and management information systems maintenance and capital acquisitions. The change between FY 1997 and FY 1998 appears to be a \$1,020,000, increase. However in FY 1997, the \$452,000 of prior year balances will be exhausted by the end of FY 1997. Therefore, the actual increase is \$568,000, indicative of an additional cost study, an increment in Field Management's share of the Working Capital Fund, inflationary adjustments, and automated year 2000 systems enhancement requirements. (See Table below.)

Field Management Other Related Expenses	FY 1997 (\$000)	FY 1998 (\$000)	Delta \$(000)
Costs Studies	\$ 295	\$ 350	\$ 55
Training	50	50	0
Working Capital Fund	1,000	1,400	400
Program Support	206	250	44
Information Systems Management	<u>381</u>	<u>450</u>	<u>69</u>
Total Program	<u>\$1,932</u>	<u>\$2,500</u>	<u>\$ 568</u>